

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-500-C

IN RE: Application of Georgia Business Net)
Telecommunications, LLC for a Certificate of)
Public Convenience and Necessity to Provide)
Local Exchange Service and Intrastate)
Interexchange Telecommunications Services)
within the State of South Carolina, for)
Flexible Rate Structure for Local Exchange)
Service Offerings First Approved in Docket)
No. 1997-467-C and for Alternative)
Regulation First Approved in Docket No.)
1995-661-C)

STIPULATION

This Stipulation Agreement (“Stipulation Agreement”) is made by and among the South Carolina Office of Regulatory Staff (“ORS”) and Georgia Business Net Telecommunications, LLC (“GABN” or the “Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on December 7, 2009, GABN filed its Application with the Public Service Commission of South Carolina (“Commission”) requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing GABN to provide local exchange service and intrastate interexchange telecommunications services within the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Reg. 103-823 and Section 253 of the Telecommunications Act of 1996; (ii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C;(iii) alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-

55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No, 200-407-C; (iv) for waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and (v) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”).

WHEREAS on December 14, 2009, the Commission issued a Notice of Filing and Hearing and established a return date of January 19, 2010, for the filing of letters of protest or petitions to intervene and established a hearing date of March 8, 2010, for the application to be heard before hearing examiner David Butler, Esquire;

WHEREAS, on January 25, 2010, the Company filed the direct testimony of William C. Colvin with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by GABN and its requests (i) for a Certificate of Public Convenience and Necessity to provide local exchange service and intrastate interexchange telecommunications services within the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Reg. 103-823 and Section 253 of the Telecommunications Act of 1996; (ii) flexible regulation for its local exchange telecommunications services; (iii) alternative regulation of its interexchange services and (iv) waiver of certain regulations of the Commission;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of GABN to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application, the testimony of Mr. Colvin, and the financial data provided by GABN, and ORS has calculated certain performance ratios based upon information provided by GABN;

WHEREAS, ORS has investigated the services to be offered by GABN and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariff submitted by GABN;

WHEREAS, as a result of its investigations, ORS has determined (a) GABN intends to offer resold intrastate interexchange and local services; (b) the officers of GABN appear to possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, GABN appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (c) GABN's proposed tariffs with the amendments as agreed to in this Stipulation Agreement comply with Commission statutes and regulations; (d) the provision of services by GABN will not adversely impact the availability of affordable telecommunications services; and (e) to the extent it is required to do so by the Commission, GABN will participate in the support of universally available telephone service at affordable rates; and (g) interexchange and local services by GABN will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that GABN's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) Parties agree to submit into the record before the Commission this Stipulation Agreement. The Parties also agree to stipulate to the filed testimony of GABN's witness William C. Colvin without cross-examination by ORS.

3) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide local exchange service and intrastate interexchange telecommunications services within the State of South Carolina;

4) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in Augusta, Georgia and the Company agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Stipulation Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 or § 58-9-1070. ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

5) The Company has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (“USOA”). The Company acknowledges that S.C. Code Ann. § 58-9-340 provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of

accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS.

6) The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit revenues and expenses associated with its South Carolina operations for compliance with programs such as but not limited to the Universal Service Fund ("USF"), the Interim LEC Fund, dual party relay service fund, and gross receipts. The Company agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time. The Company agrees that its books, papers and records shall be maintained in a manner such that Company revenues and expenditures related to its operations in South Carolina can be segregated from revenues and expenditures related to operations in other jurisdictions and that South Carolina jurisdictional revenues and expenditures may be reconciled to total Company revenues and expenditures from operations in all jurisdictions;

7) Given the Company's request to provide statewide service and although not specifically requested in the Company's Application, ORS does not oppose a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 which requires the filing of operating maps. However, should the Company establish local exchange service areas which differ from those of the incumbent local exchange carriers, the Company agrees it will notify the Commission and ORS of the change and file updated service;

8) The Company agrees to make arrangements with publishers of local directories in South Carolina to include the names and telephone numbers of GABN's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number.

9) ORS does not oppose the Company's requests: (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days;

10) GABN agrees to a rate design for its residential interexchange services which includes maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

11) GABN agrees that it shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. GABN agrees to file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's

subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C.Code Ann. §58-9-540.

12) ORS does not oppose GABN's requests for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Order No. 98-165 in Docket No. 97-467-C and Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C. Alternative regulation of interexchange services provides for the (i) regulation of these services in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for GABN's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) the same regulatory treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

13) GABN agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

14) GABN agrees to file necessary financial information as directed by the Commission or ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as GABN.

The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and/or the Commission.

15) GABN agrees to maintain its books and records in a manner that would permit ORS to examine any of GABN's reports filed with the Commission and provided to ORS.

16) GABN agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

17) In the event that GABN offers prepaid calling card services in the future, GABN agrees that it shall obtain Commission approval and post a surety bond in the amount of \$5,000 as required by the Commission;

18) GABN agrees to comply with South Carolina Regulation 103-607 in that it will obtain a bond, irrevocable letter of credit, or certificate of deposit per the Commission's request prior to offering pre-paid local exchange services.

19) GABN agrees to comply with the verification regulations governing change of preferred carriers as established by the Federal Communications Commission ("FCC"). GABN agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

20) GABN agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, GABN agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, GABN shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

21) To the extent necessary, GABN agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

22) GABN agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." GABN agrees to contact the appropriate authorities regarding 911 services in the counties and cities where GABN will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding GABN's operations.

23) GABN agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

24) GABN agrees to file a final revised tariff with both the ORS and the Commission within 30 days of the Commission's order granting GABN's application and the revised tariff shall reflect and be in accordance with ORS' tariff revisions as shown in Attachment 1 to this Stipulation Agreement.

25) GABN agrees it will file its final, revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

26) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation Agreement reached among the Parties serves the public interest as defined above;

27) The Parties agree to advocate that the Commission accept and approve this Stipulation Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation Agreement and the terms and conditions contained herein.

28) The Parties agree that signing this Stipulation Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation Agreement in its entirety, then any Party

desiring to do so may withdraw from the Stipulation Agreement in its entirety without penalty or obligation.

29) This Stipulation Agreement shall be interpreted according to South Carolina law.

30) The Parties represent that the terms of this Stipulation Agreement are based upon full and accurate information known as of the date this Stipulation Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Stipulation Agreement is based, either Party may withdraw from the Stipulation Agreement with written notice to the other Party.

31) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation Agreement and the terms contained herein, then this Stipulation Agreement shall be null and void and will not be binding on any Party.

[SIGNATURES ON FOLLOWING PAGES]

WE AGREE:

Representing the Office of Regulatory Staff

Shannon Bowyer Hudson

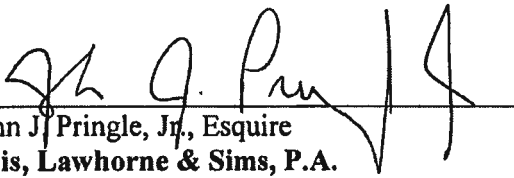
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3-5-10

Date

WE AGREE:

Representing Georgia Business Net Telecommunications, LLC



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3/05/10

Date

Attachment 1

Revisions to Tariff filed with Application

Original Sheet No. 25 5.0.2—Although the Company intends to offer its services as “ICB”s, Commission Reg. 103-612 mandates each tariff contain a list and definition of all types classes, grades, classification and forms of regulated services. Therefore, the Company should list the specific services that it will provide and mark these as “ICB.”

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2009-500-C

IN RE: Application of Georgia Business Net
Telecommunications, LLC for a Certificate of Public
Convenience and Necessity to Provide Local
Exchange Service and Intrastate Interexchange
Telecommunications Services within the State of
South Carolina, for Flexible Rate Structure for Local
Exchange Service Offerings First Approved in Docket
No. 1997-467-C and for Alternative Regulation First
Approved in Docket No. 1995-661-C


**CERTIFICATE OF
SERVICE**

This is to certify that I, Pamela J. McMullan, have this date served one (1) copy of the **STIPULATION** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

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Post Office Box 211006
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Columbia, SC 29211



Pamela J. McMullan

March 5, 2010
Columbia, South Carolina